

## State of Borth Carolina ALCOHOLIC BEVERAGE CONTROL COMMISSION

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## N.C. Alcoholic Beverage Control Commission Takes Action to Speed Removal of Alcohol Energy Drinks from NC Stores

Recommended rule changes also require beer products to list stimulants on labels

**RALEIGH** – In the wake of Wednesday's ruling by federal authorities that the combination of caffeine and malt alcohol is unsafe, the NC ABC Commission voted today to allow retailers to return alcohol energy drinks to beer wholesalers for credit. The Commission's action takes effect immediately; without the rule exemption provided by the Commission, wholesalers could not provide a credit to retail merchants for the returned alcohol energy drink products.

In a separate action, the Commission recommended changes to ABC rules requiring beer products to disclose on their labels what stimulants, if any, they contain. The rule changes also will allow the Commission to withdraw product approval for wine or beer if future public health concerns arise. The proposed rule changes are subject to the standard rule review process and could go into effect early in the new year.

"The federal action Wednesday effectively acts as a ban on these products that were found not to be safe in their review. The NC ABC Commission's action today will make the rapid and orderly withdrawal of alcohol energy drinks from North Carolina shelves a reality," said Jon Williams, chairman of the NCA ABC Commission. "The Commission is pleased with the expressed cooperation and support of wholesalers and retailers in this effort and joins with the Governor in applauding the federal agencies for taking a risky product off the market."

The NC ABC Commission actions were preceded by warnings issued Wednesday by the FDA, the FTC and the TTB and findings by the federal agencies that caffeine is not regarded as safe in carbonated malt beverages. The federal decision effectively established a 15-day deadline for the alcohol energy drinks containing caffeine to be removed from shelves nationwide. The manufacturer of the most prominent brand in the category – Four Loko -- had already announced earlier in the week its intent to reformulate the beverage and remove the caffeine from it.

In its announcement Wednesday, the U.S. Food and Drug Administration "warned four companies that the caffeine added to their malt alcoholic beverages is an "unsafe food additive" and said that further action, including seizure of their products, is possible under federal law."

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In its announcement the FDA said, "the products named in the Warning Letters are being marketed in violation of the Federal Food, Drug, and Cosmetic Act (the FFDCA). Each Warning Letter requests that the recipient inform the FDA in writing within 15 days of the specific steps that will be taken to remedy the violation and prevent its recurrence. If a company does not believe its products are in violation of the FFDCA, it may present its reasoning and any supporting information as well. "

In other action Thursday, the Commission:

- Approved the request by the Mecklenburg County ABC Boards for a new store at 9500 South Boulevard, replacing a store currently at 6350 South Boulevard, Charlotte.
- Reviewed and took action on 37 hearing cases.
- Accepted the recommendations of staff with regard to ongoing rules review items in 02R, 02S and 02T including review and consideration of public comments and adoption of the rules published in Volume 25, Issue 06 of the NC Register (04 NCAC 02R and 02S).

## ABOUT THE ABC COMMISSION

North Carolina is one of 19 states to regulate alcohol through a control system. Since 1937, the North Carolina Alcoholic Beverage Control Commission has provided regulation and control over the sale, purchase, transportation, manufacture, consumption and possession of alcoholic beverages in the state of North Carolina. The Commission oversees more than 25,000 permits allowing alcohol sales by more than 17,000 retail outlets across the state. In fiscal year 2009, the Commission returned more than \$250 million in taxes and revenue to benefit the General Fund and the budgets of local cities and counties that sell alcoholic beverages.

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